



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

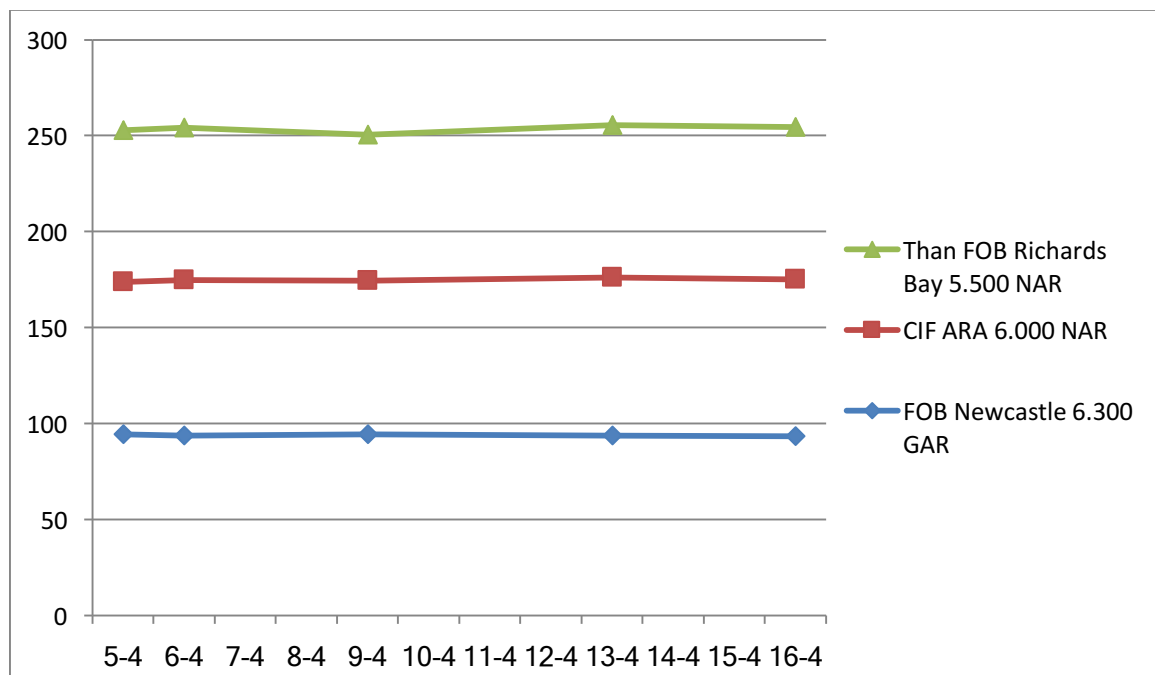
Date 18/04/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	93.35	-0.40	92.60	-0.65
CIF ARA 6,000 NAR	81.75	+0.60	83.00	-0.30
FOB Richards Bay 5,500 NAR	79.50	-0.10	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	75.75	-0.25
FOB Kalimantan 5,000 GAR	N/A	N/A	61.00	-0.30

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	47.90	-0.10	299.71	-0.53
PCC7 (CFR South China 4,700 NAR)	68.70	-0.30	429.86	-1.74
PCC8 (CFR South China 5,500 NAR)	75.80	-0.20	474.28	-1.10

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 16/04/2018)

NEWS

Australian PWCs coal terminals' vessel queue rises on week to 11 ships

Australia's Port Waratah Coal Services' two terminals at Newcastle port in eastern Australia had eleven ships waiting offshore Sunday, up from six ships a week ago, to load coal to be shipped out of Australia, the Hunter Valley Coal Chain Coordinator report Sunday showed. The queue for the PWCS terminals was expected to be fewer than five vessels at end-April as well as end-May, the coal chain coordinator said. The PWCS terminals shipped out 1.67 million mt of coal in the week ended Sunday, down 826,100 mt from a week earlier, and the month-to-date exports totaled 4.45 million mt, the report showed. Coal producers had forecast April coal arrivals at the PWCS terminals to be 8.9 million mt, and at 9.8 million mt for May. Coal throughput for Newcastle port's railway last week was 2.06 million mt, HVCCC said. Around 0.39 million mt of coal was shipped through the NCIG terminal at Newcastle last week, S&P Global Platts data showed. The Carrington and Kooragang terminals at Port Waratah had combined stocks of 0.84 million mt available for export on Sunday, down 468,804 mt on the previous week. Meanwhile, Gladstone port in Queensland had 14 ships in its queue Monday, and an additional two ships were loading at the Queensland port's RG Tanna coal terminal, Gladstone Ports Corporation said.

China thermal coal market grapples with import controls

Seaborne market participants in Asia were scrambling to assess the impact of a new round of restrictions at China's major ports on seaborne thermal coal imports, market sources said Monday. A string of ports stretching in a wide arc along China's southern and eastern coastlines suddenly came under import restrictions from Friday, including regulations forbidding the discharge of Australian high-ash coal and Indonesian shipments, several market sources said. They include the Capesize port of Fangcheng in southern Guangxi province, Guangzhou in neighboring Guangdong province, Ximen in the southeastern province of Fujian, and Zhoushan in eastern Zhejiang province. "It is because China has high stocks of domestic coal and Australian thermal coal keeps dropping in price," a source in China said. Feedstocks for six of China's largest power companies, Zhejiang Power, Shanghai Power, Guodian, Datang, Huaneng, and Guangdong Power, better known as Yudean, hit 14 million mt on April 12, the latest available figures. "Now, traders are trying to find ports that can accept Australian 5,500 kcal/kg NAR cargoes, but not many Chinese ports can accept Capesize vessels," he said. A limited number of ports in northeastern China were able to accommodate Capesize ships with cargoes of around 130,000 mt, such as Jiangsu in eastern China. But even this option was believed to be restricted for imports, the source said. The import restrictions for seaborne-traded cargoes of thermal coal were brought in Friday by Beijing, starting with China's Fujian province, and have been rolled out to ports along China's eastern and southern coastlines, sources said. "Guangzhou port is having a meeting, and news will likely come out later this afternoon. Rumors are Fangcheng is not allowing imports," another market source in China said. He did not expect the port restrictions to have much short term impact on delivered prices for domestic thermal coal, as there was still plenty of domestic thermal coal supply in Guangzhou port. "But there might be more trades to replace their May imports," he said. "This may stabilize the price, or is likely to slow down the decrease in prices," he added.

Restrictions cloud domestic prices

Last week Chinese thermal coal prices had been dropping quite quickly, by roughly Yuan 5-10 each day on tapering demand and sufficient supply. Current prices are trading around Yuan 550/mt FOB Qinhuangdao for the 5,500 kcal/kg NAR grade in spot cargoes, market sources said. Before word of the import restrictions had filtered through the seaborne market, traders were seeing fair market value for May shipments of Australian 5,500 kcal/kg NAR thermal coal at \$69.50/mt FOB Newcastle. But later during the Asian trading session, the ports issue in China had clouded pricing as bids evaporated from Chinese buyers and fair value assessments were difficult for traders to make, sources said. An April-loading Capesize cargo of high-ash Australian 5,500 kcal/kg NAR thermal coal traded late last week at \$66/mt FOB Newcastle, following a spot cargo trade at about \$68/mt on the sidelines of an international coal gathering in Beijing. The return of import restrictions for thermal coal at Chinese ports looked to some sources like a rerun of events in the second half of 2017. Around late June 2017, Beijing unilaterally suspended coal imports at a

number of smaller Chinese ports before broadening the restrictions in October to cover larger ports used in the imports trade. The restrictions, including extended times for customs clearance checks and blanket bans on ships discharging coal at some ports, were eventually lifted in December when severe winter weather boosted demand for imports.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	7.75	+0.00
	Queensland	Japan	9.00	+0.00
	New South Wales	South Korea	9.55	+0.00
Panamax (70,000 tons)	Richards Bay	India West	13.40	+0.10
	Kalimantan	India West	8.70	+0.00
	Richards Bay	India East	13.60	+0.10
	Kalimantan	India East	7.35	+0.00
	Australia	China	11.50	+0.00
	Australia	India	13.00	+0.00

(Source: Platts Coal Trader International – Date 16/04/2018)